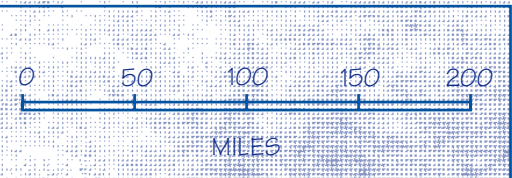
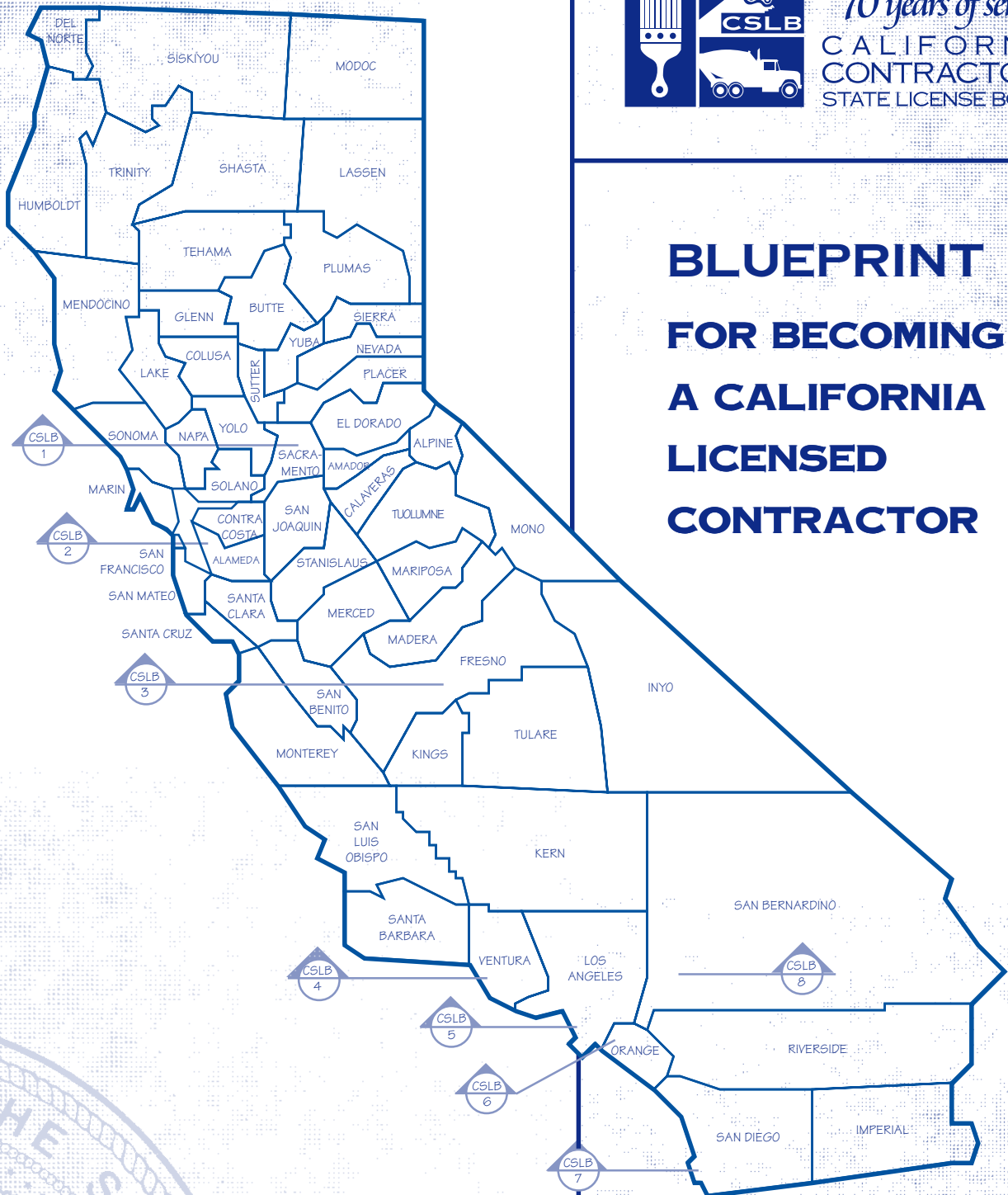




*Celebrating  
70 years of service*  
**CALIFORNIA  
CONTRACTORS  
STATE LICENSE BOARD**

# **BLUEPRINT FOR BECOMING A CALIFORNIA LICENSED CONTRACTOR**



JANUARY 1999



*The CSLB has exam sites in eight cities:*

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3. *Fresno*
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5. *Long Beach*
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For information about the Contractors State License Board, call toll-free

1-800-321-CSLB (2752)

[www.cslb.ca.gov](http://www.cslb.ca.gov)

## FOREWORD

Construction is one of the largest industries in California's diverse economy, affording numerous opportunities for success. With approximately 280,000 active contractor licenses currently issued, the Contractors State License Board receives more than 20,000 applications for new licenses each year.

This booklet answers many of the most frequently asked questions about what is needed to qualify for and obtain a contractor's license. The procedure for obtaining a contractor's license makes becoming a licensed contractor more convenient than ever. There are more testing sites located statewide, and now you can check on the status of your application via our toll-free telephone number 24 hours a day.

However, merely holding a contractor's license does not make for a successful contractor. You must be skilled in the chosen craft and diligent in business affairs—one or the other is not good enough! You (and your employees) must be willing and able to complete every project you undertake in a good and workerlike manner and according to plans and specifications. To survive in an increasingly competitive market, you must also stay on top of your duties and responsibilities as a licensed and regulated business in California.

Besides licensing contractors, the Contractors State License Board handles approximately 30,000 construction-related complaints a year. As our testing services for potential contractors have expanded, so have our enforcement activities in the underground economy against unlicensed contractors and the unscrupulous licensed contractors. Consumer protection and construction productivity must co-exist in California, and we're seeing that they do by emphasizing enforcement education for the consumer as well as for the contractor.

Study beyond what you need to pass the test. Continue upgrading your skills in your craft and in business matters. Read the educational articles in each issue of the *California Licensed Contractor*, a newsletter you will receive quarterly when licensed. Take advantage of other educational opportunities as they arise because only by mastering both your craft and your business can you ensure success.

Good luck!



C. Lance Barnett, Ph.D.

Registrar of Contractors



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## MISSION STATEMENT

*The Contractors State License Board shall protect consumers by regulating the construction industry through policies that promote the health, safety, and general welfare of the public in matters relating to construction.*

*The Contractors State License Board will accomplish this by:*

- *Ensuring that construction is performed in a safe, competent and professional manner through licensing of contractors and enforcement of the licensing laws.*
- *Providing resolution to disputes that arise from construction activities.*
- *Educating consumers so that they may make informed choices.*



## CONTRACTORS STATE LICENSE BOARD

The Contractors State License Board (CSLB) was established in 1929 as the Contractors License Bureau under the Department of Professional and Vocational Standards. Today it is part of the Department of Consumer Affairs.

A 13-member board appoints the CSLB's executive officer, or Registrar of Contractors, and directs administrative policy for the agency's operations. This board includes seven public members (six noncontractors and one local building official), five contractors and one labor representative. Eleven appointments are made by the Governor, and two are made by the Legislature.

The CSLB licenses and regulates contractors in approximately 40 classifications that constitute the construction industry. Currently there are more than 280,000 licensed contractors in the state. The CSLB also registers home improvement salespersons.

The Registrar oversees approximately 475 employees, who are distributed among the headquarters office in Sacramento and regional, district, and branch offices throughout the state.

The headquarters office receives and processes applications for new licenses, additional classifications, change of license records, and license renewals. The headquarters staff review and maintain records of disciplinary actions initiated by the regional offices and provide other support services. This office also provides the verified certificates of licensure used in court or other actions. The status of licensure is also provided. Regional offices direct the activities of district and branch offices and initiate all disciplinary actions resulting from their investigations. The staff of the district and branch offices investigate consumer complaints against licensed and nonlicensed contractors.

The Board has established a statewide Underground Economy Enforcement Program that focuses on the underground economy and the unlicensed contractor who prospers at the expense of consumers and legitimate businesses. These units, working out of the regional offices, conduct stings and sweeps to help curtail illegal contracting by citing those who are not properly licensed.

The Board holds regularly scheduled public meetings throughout the state. These meetings provide the public an opportunity to testify on agenda items and other issues.

## GENERAL REQUIREMENTS

### ***1. Who can become a licensed contractor?***

A licensed contractor is a person 18 years of age or older who has the experience and skills necessary to manage the daily activities of a construction business, including field supervision, or who is represented by someone else with the necessary experience and skills, who serves as the qualifying individual.

The contractor or other person who will act as the qualifying individual must have had, within the ten years immediately before the filing of the application, at least four full years of experience as a journeyman, foreman, supervisor, or contractor in the classification for which he or she is applying. The experience claimed on the application must be verifiable and individuals who have knowledge of the experience must provide a *Certificate in Support of Experience Qualifications* to submit with the application.

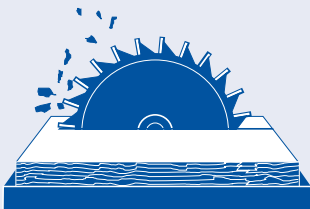
### ***2. Who must be licensed as a contractor?***

All businesses or individuals who construct or alter any building, highway, road, parking facility, railroad, excavation, or other structure in California must be licensed by the California Contractors State License Board (CSLB) if the total cost (labor and materials) of one or more contracts on the project is \$500 or more. Contractors, including subcontractors, specialty contractors, and persons engaged in the business of home improvement (with the exception of joint ventures and projects involving federal funding) must be licensed before submitting bids. Licenses may be issued to individuals, partnerships, corporations, or joint ventures.

### ***3. Is anyone exempt from the requirement to be licensed?***

Yes. Here are some of the exemptions:

- Work on a project for which the combined value of labor, materials, and all other items on one or more contracts is less than \$500 falls within the minor work exemption. Work which is part of a larger or major project, whether undertaken by the same or different contractors, may not be divided into amounts less than \$500 in an attempt to meet the \$500 exemption. Unlicensed contractors must provide the purchaser with the written disclosure in B&P Code section 7048 stating that they are not licensed by the CSLB, or the \$500 exemption does not apply and a citation can be issued for unlicensed activity;
- An employee who is paid wages, who does not usually work in an independently established business, and who does not have direction or control over the performance of work or who does not determine the final results of the work or project;
- Public personnel working on public projects;
- Officers of a court acting within the scope of their office;
- Public utilities working under specified conditions;
- Contractors operating on federally owned property;
- Oil and gas operations performed by an owner or lessee;
- Owner-builders who build or improve existing structures on their own property if they either do the work themselves or use their own employees (paid in wages) to do the work. This exemption is only valid if the structure is not intended or offered for sale within one year of completion;



**3. Is anyone exempt from the requirement to be licensed?**

*(Continued)*

- Owner-builders who build or improve existing structures on their own property if they contract for the construction with a licensed contractor or contractors;
- Owner-builders who improve their main place of residence, have actually resided there for one year prior to completion of the work, and who complete the work prior to sale. This exemption is limited to two structures within a three-year period;
- Sale or installation of finished products that do not become a fixed part of the structure. The exemption applies to a seller of installed carpets who holds a retail furniture dealer's license but who contracts for installation of the carpet with a licensed carpet installer. The exemption does not apply to material suppliers or manufacturers who install or contract for installation of products. Nor does it apply to those who install mobile homes or mobile home accessory structures;
- Security alarm company operators (licensed by the Bureau of Security and Investigative Services) who install, maintain, monitor, sell, alter, or service alarm systems (fire alarm company operators must be licensed by the CSLB); and
- Persons whose activities consist only of installing satellite antenna systems on residential structures or property. These persons must be registered with the Bureau of Electronic and Appliance Repair.

**4. Do I have to reside in California to get and keep a contractor's license?**

No.

**5. Does California recognize contractors' licenses issued by other states or countries?**

No. However, California does have reciprocal agreements with some states that recognize the experience qualifications for certain trades. It is only after the Registrar of Contractors has entered into a reciprocal agreement with the other state and under certain conditions that the Registrar may waive the written trade examination for a contractor licensed in another state. Applicants must still qualify by taking and passing the Law and Business Examination. If you have trade experience or a contractor's license issued by another state or country and you want to contract for work in California, this experience may be acceptable. In any case, you must apply for and be issued a license by the California Contractors State License Board.

**6. What happens if I contract without a license?**

A contractor's license is not necessary as long as you advertise yourself as a nonlicensed contractor, provide your customer with a written statement that you are unlicensed (*see Question 3*), and never contract for jobs costing more than \$500, including labor and materials.

The Contractors State License Board has established statewide investigative teams that focus on the unlicensed contractor and the underground economy. These units, working out of the Board's regional offices, conduct stings and sweeps to curtail illegal contracting activities.

Contracting without a license is a misdemeanor. Unlicensed contractors face potential sentences of up to one year in county jail and/or fines of from \$200 to \$15,000. The CSLB filed more than 1,600 citations and brought 1,000 criminal actions against unlicensed contractors during the 1997-1998 fiscal year. Stings and sweeps are routinely publicized to ensure maximum consumer education.



## EXPERIENCE REQUIREMENTS

### ***7. What kind of experience is required for a contractor's license?***

At least four years of experience is required to qualify for the exam. Credit for experience is given only for experience as a journeyman, foreman, supervising employee, contractor, or owner-builder. These are defined as follows:

- A journeyman is a person who has completed an apprenticeship program or is an experienced worker, not a trainee, and is fully qualified and able to perform the trade without supervision.
- A foreman or supervisor is a person who has the knowledge and skill of a journeyman and directly supervises physical construction.
- A contractor is a person who manages the daily activities of a construction business, including field supervision.
- An owner-builder is a person who has the knowledge and skills of a journeyman and who performs work on his or her own property.

All experience claims must be verified by a qualified and responsible person, such as a homeowner, an employer, fellow employee, other journeyman, contractor, union representative, building inspector, architect, or engineer. The person verifying your claim must have first-hand knowledge of your experience—that is, he or she must have observed the work that you have done—and must provide a *Certificate in Support of Experience Qualifications* to submit with your application.

### ***8. Are there education requirements for a license?***

No. You do not have to meet any education requirements in order to qualify for a contractor's license.

However, many community colleges and private schools offer instruction in vocational education. For more information, contact the:

**Chancellor's Office  
California Community Colleges  
1107 9th Street  
Sacramento, CA 95814  
(916) 445-8752  
[www.cccco.edu](http://www.cccco.edu)**

**OR Bureau for Private Postsecondary and  
Vocational Education  
1027 10th St., 4th Floor  
Sacramento, CA 95814  
(916) 445-3427  
[www.dca.ca.gov/bppv](http://www.dca.ca.gov/bppv)**

(NOTE: CSLB will not make referrals or recommendations regarding license preparation schools.)

### ***9. May I substitute any education, technical training or apprenticeship training for the required experience?***

You may receive credit for technical training, apprenticeship training, or education instead of a portion of the required four years of practical experience. At least one year must be practical experience. You must provide written documentation of any training or education claimed in place of experience. Acceptable documentation includes copies of apprenticeship certificates and college transcripts.

***10. How much credit can I expect to receive for technical training the completion of an approved apprenticeship program, or related college or university education?***

The CSLB may credit training, apprenticeship, or education as follows:

A maximum of 1-1/2 years upon submission of transcripts of the following:

- An A.A. degree from an accredited school or college in building or construction management;

A maximum of two years upon submission of transcripts of any of the following:

- A four-year degree from an accredited college or university in the fields of accounting, business, economics, mathematics, physics, or areas related to the specific trade or craft for which application is being made;
- A professional degree in law; or
- Substantial college or university course work in accounting, architecture, business, construction technology, drafting, economics, engineering, mathematics, or physics.

A maximum of three years upon submission of any of the following:

- A Certificate of Completion of Apprenticeship from an accredited apprenticeship program or a certified statement of completion of apprenticeship training from a union in the classification for which application is being made;
- Submission of transcripts for a four-year degree from an accredited college or university in architecture, construction technology, or any field of engineering that is directly related to the classification for which application is being made; or
- Submission of transcripts for a four-year degree from an accredited college or university in the field of horticulture or landscape horticulture for the Landscaping (C-27) classification.

**11. What are the contractor license classifications?**

## LICENSE CLASSIFICATIONS

The CSLB issues a license to contract in a particular trade or field of the construction profession. Each separate trade is recognized as a “classification.” You may add as many classifications to your license as you can qualify for.

The CSLB issues licenses for the following classifications:

- **Class “A”—General Engineering Contractor.** The principal business is in connection with fixed works requiring specialized engineering knowledge and skill.
- **Class “B”—General Building Contractor.** The principal business is in connection with structures that shelter and enclose persons, animals, chattels, or movable property requiring in their construction more than two unrelated trades. The “B” contractor may subcontract any single or multiple trade or craft without the additional “C” specialty license.
- **Class “C”—Specialty Contractor.** There are 39 separate “C” license classifications for contractors whose construction work requires special skill and whose principal contracting business involves the use of specialized building trades or crafts. Manufacturers are considered to be contractors if engaged in on-site construction, alteration, or repair.

**12. In what trades may I obtain a class “C” Specialty Contractor’s License?**

You may obtain a license in any of the classifications listed below. For a detailed description of these classifications, consult the CSLB Rules and Regulations in the *California Contractors License Law and Reference Book*. (See the table below.)

CLASSIFICATION	CODE	SECTION	CLASSIFICATION	CODE	SECTION
Boiler, Hot Water Heating and Steam Fitting.....	C-4	832.04	Ornamental Metals.....	C-23	832.23
Building Moving and Demolition .....	C-21	832.21	Parking and Highway Improvement .....	C-32	832.32
Carpentry .....	C-5	832.05	Painting and Decorating .....	C-33	832.33
Concrete .....	C-8	832.08	Pipeline .....	C-34	832.34
Drywall.....	C-9	832.09	Plastering .....	C-35	832.35
Earthwork and Paving .....	C-12	832.12	Plumbing.....	C-36	832.36
Electrical (General) .....	C-10	832.10	Refrigeration.....	C-38	832.38
Electrical Signs .....	C-45	832.45	Roofing .....	C-39	832.39
Elevator Installation.....	C-11	832.11	Sanitation System .....	C-42	832.42
Fencing.....	C-13	832.13	Sheet Metal.....	C-43	832.43
Fire Protection .....	C-16	832.16	Solar .....	C-46	832.46
Flooring and Floor Covering .....	C-15	832.15	Steel, Reinforcing .....	C-50	832.50
General Manufactured Housing .....	C-47	832.47	Steel, Structural .....	C-51	832.51
Glazing .....	C-17	832.17	Swimming Pool .....	C-53	832.53
Insulation and Acoustical .....	C-2	832.02	Tile (Ceramic & Mosaic) .....	C-54	832.54
Landscaping .....	C-27	832.27	Warm-Air Heating, Ventilating and Air Conditioning .....	C-20	832.20
Limited Specialty .....	C-61	832.61	Water Conditioning .....	C-55	832.55
Lock and Security Equipment .....	C-28	832.28	Welding .....	C-60	832.60
Low Voltage Systems .....	C-7	832.07	Well-Drilling (Water) .....	C-57	832.57
Masonry .....	C-29	832.29			

**13. Are there any special requirements for contractors who work with asbestos or other hazardous substances?**

Contractors who work with asbestos or other hazardous substances are regulated by the United States Department of Labor, Federal Occupational Safety and Health Administration, and the California Department of Industrial Relations, Division of Occupational Safety and Health (DOSH), as well as by the CSLB. These contractors are subject to a number of certification, registration, reporting, and safety requirements.

The following are some of the CSLB's basic requirements:

- Before a license will be issued, every licensee must have completed, signed, and returned the open-book examination contained in the booklet, *Asbestos: A Contractor's Guide and Open-Book Examination*. The booklet contains general information about asbestos-abatement standards.
- Asbestos-abatement contractors must be certified by the CSLB. To become certified, a contractor must take and pass an EPA-accredited asbestos-abatement course; complete the *Application for Asbestos Certification*; pass a comprehensive asbestos-abatement exam; and register with the Asbestos Contractor Registration Unit of DOSH.
- Contractors who do hazardous substance removal work must be certified by the CSLB. Contractors who do hazardous substance removal work must complete an *Application for Hazardous Substance Removal and Remedial Actions* and pass a CSLB certification examination. Any contractor who has a Class "A" General Engineering, "B" General Building, "C-36" Plumbing, "C-61 (D-40)" Service Station Equipment and Maintenance (no longer issued), "C-12" Earthwork and Paving, or "C-57" Well Drilling (Water) license is eligible to be certified.

In addition, contractors who install or remove underground storage tanks must hold this certification. CSLB Board policy currently limits certified contractors doing underground storage tank work as follows:

- General Engineering "A" contractors may install and/or remove underground storage tanks for any purpose at any location.
- Plumbing "C-36" contractors may install and/or remove any underground storage tank that provides service to a building - including storage tanks for service stations.
- Service Station Equipment and Maintenance "C-61/D-40" contractors may install and/or remove fuel underground storage tanks at service stations or any other site up to a capacity of 20,000 gallons.
- General Building "B" contractors may, in the course of work performed under a contract that meets the requirements for the "B" classification (see Question 11), install and/or remove an underground storage tank if they have been properly certified for Hazardous Substance Removal and Remedial Actions.

**14. Are there any other requirements I need to complete?**

Contractors who engage in the business of home improvement or who provide goods and services for home improvement must complete the *Home Improvement Certification*.

**15. What is Home Improvement Certification?**

The CSLB, as mandated by the Legislature, established a certification program for home improvement contractors.

“On and after July 1, 2000, a contractor may not engage in the business of home improvement or provide home improvement goods or services, as defined in B&P Code Section 7151, unless the contractor is certified as a home improvement contractor.”  
(B&P Code, Section 7150.2c)

**16. What qualifies as home improvement?**

Home improvement means the repairing, remodeling, altering, converting, modernizing of, or adding to, residential property land or structures. It also covers providing home improvement goods and services.

**17. How can I obtain certification?**

You must take and pass an open book examination on business, law, and construction skills related to home improvement contracting.

The qualifier listed on the license application must take and pass the license certification examination.

The open book examination will consist of approximately 20 multiple-choice questions based on the *Home Improvement Reference Booklet* provided by CSLB.



**18. How do I apply for a contractor's license?**



## APPLYING FOR A LICENSE

You must complete the following steps:

- Obtain an *Application for Original Contractor's License* from any office of the Contractors State License Board, by telephone from the CSLB's 24-hour automated public information line, (800) 321-CSLB (2752), or via the CSLB website, [www.cslb.ca.gov](http://www.cslb.ca.gov);
- Take the time to read and follow carefully the instructions attached to the application. Note especially that if you are applying for credit for experience, **all** experience and certificates in support of experience must be submitted **with the application**. No experience verification will be accepted after the application has been accepted;
- Complete the application and all accompanying forms in ink or with a typewriter. Forms completed in pencil will be returned to you. Make sure you sign and date the application;

NOTE: Applicants with a disability requiring special testing accommodations must complete form 13E-77, *Special Accommodation Request For Examination*. (See page 11 for more information.)

- Proofread your application for any omissions. If the Board has to return the application to you for any missing information, your license will be delayed; and
- Submit the \$250 nonrefundable application processing fee. Note the \$50 fee for each additional classification.

You may apply for only one classification for which you are required to pass an examination. After your license is issued, you may apply for any additional classifications for which you qualify.

You can submit an application for more than one classification at a time only if you have already qualified for each of the classifications for which you are applying.

If you are required to take the examination, take the following steps:

- Submit the application, processing fee, and all required documents to:  
Contractors State License Board  
P.O. Box 26000  
Sacramento, CA 95826  
Be certain to include your return address on the envelope.
- Do not submit any bonds or the initial license fee with your application. Upon successful completion of your examination, you will be notified to submit the required documents and initial license fee.

If you are not required to take an examination for any classification for which you are applying, you must:

- Submit an application and \$400 (\$250 for the application processing fee and \$150 for the initial license fee);
- Submit a Contractor's Bond or equivalent in the business name of the applicant and a Bond of Qualifying Individual or exemption statement for each Responsible Managing

**19. How long does it take to complete the license application process?**

Officer or Responsible Managing Employee, as appropriate. The Bond of Qualifying Individual must be in the names of the qualifying individuals and the business.

- Submit proof of workers' compensation, or exemption therefrom. (If you have no employees, an exemption certificate (form 13L-50) must be submitted.)

If you are applying for an inactive license, you must:

- Submit an application, the appropriate application processing fee, and the initial license fee. The same fees are required for inactive licenses as for active licenses.

**NOTE:** Bonds and workers' compensation are NOT required for an inactive license.

If all application materials are filed correctly on a timely basis and the exam is passed on the first try, a first-time applicant can typically expect 10 to 12 weeks to pass between the time he or she files the application and the time the license is issued.

**20. Will the CSLB acknowledge receipt of my application?**

The CSLB will send you a letter of acknowledgment. This letter will contain two important numbers: a nine-digit Application Fee Number and a four-digit Personal Identification (PIN) Number, together with instructions on how to use these numbers to check on the progress of your application.

Your Application Fee Number, also known as your "receipt number," will also appear on the front of your canceled check, on the *Notice to Appear for Examination* and on a request for you to submit the appropriate documents and initial license fee. Please retain a record of this number and use it in all inquiries regarding your pending application.

**21. How will I know if my application is approved?**

After your application is reviewed and approved, you will receive either a Notice to Appear for Examination, or, if the examination is waived, a request for documents and the initial license fee. Applications which require no examination can be submitted with the Contractors Bond, Bond of Qualifying Individual (if required), proof of workers' compensation, and applicable fees.

**22. How can I check on the status of my application?**

After you have received an acknowledgment from the Board that it has received your application, you can call the Board's automated toll-free number, 1-800-321-CSLB (2752). This acknowledgment will contain instructions on how to make inquiries, together with your Application Fee Number and a Personal Identification Number (PIN) that will give you private access to your own application status.

**23. What happens if my application is not approved?**

Your application may be returned to you if it is insufficient or incomplete. You must provide any missing information, make corrections, and return your application within 90 days from the date it was returned. If it is not returned to the CSLB within 90 days, your application becomes void. You cannot reinstate it and you must submit a new application and processing fee if you wish to pursue a license.

**24. If my application is not approved, can you refund my application fee?**

No. The fee is for processing the application, whether or not the application is approved. Since each application is filed for processing as soon as it arrives at the CSLB, the fee cannot be refunded.

## LICENSING EXAMINATIONS

**25. Is there an examination requirement for a contractor's license?**

The qualifying individual for a contractor's license is required to pass written law and trade examinations unless he or she meets the requirements for a waiver.

**26. Under what circumstances is a waiver of an examination granted?**

There is no examination requirement if the qualifying individual meets the following conditions:

- The person is currently the qualifying individual for a license in good standing in the same classification for which he or she is applying; or
- The person has been a qualifying individual within the past five years for a license in good standing in the same classification for which he or she is applying; or
- Within the last five years, the person has passed both the Law and Business examination and the trade examination in the same classification for which he or she is applying.

**27. Are there any additional circumstances under which a waiver of an examination may be requested?**

Yes, if the qualifying individual meets either of the two following criteria:

- For at least 5 years within the immediately preceding 7-year period, the qualifying individual must have been a member of the official personnel listed on the CSLB's records for any license that was active and in good standing, in the same classification applied for. He or she must have been actively engaged in that licensee's construction activities during those 5 years.

*OR*

- The qualifying individual is a member of the immediate family of a licensee whose individual license was active and in good standing for 5 of the 7 years immediately preceding the application. The qualifying individual must have been actively engaged in the licensee's business for 5 of the previous 7 years, must be applying in the same classification, and the license must be required in order to continue the operations of an existing family business in the event of the absence or death of the licensee.

**28. If I think I am eligible for a waiver, must I complete the experience section of the application?**

Even if you think that you are eligible for an examination waiver, you must complete the experience section of the application to document a minimum of five years of journey-level experience.

All experience claims must be verified by a qualified and responsible person, such as an employer, fellow employee, other journeyman, contractor, union representative, building inspector, architect, or engineer. The person verifying your claim must have first-hand knowledge of your experience; that is, he or she must have observed the work that you have done.

Exceptions:

- You are not required to document your experience if any of the following conditions exist:

*(Continued)*

- You are currently a qualifier on a license in good standing in the same classification(s) for which you are applying;
- You have been a qualifier within the past five years on a license in good standing in the same classification(s) for which you are applying; or
- Within the last five years, you have passed both the Law and Business examination and the trade examination in the same classification for which you are applying, and the license for which you took the examinations was not denied due to lack of work experience.

**29. How will I find out if I have to take the examination?**

If you have to take the examination, you will be sent a *Notice to Appear for Examination*.

If you qualify for a waiver, you will be sent a notice requesting the required documents and fees be submitted.

**30. How soon after filing my application will I receive my Notice to Appear for Examination?**

Once we have received your complete application, you will be scheduled for the examination. It generally takes four to six weeks to process an application and send the notice to appear. You should receive your examination notice at least three weeks prior to the examination date.

**31. Where are the examinations given?**

The CSLB has exam sites in eight cities: San Diego, San Bernardino, Buena Park, Long Beach, Ventura, Oakland, Sacramento and Fresno (the Fresno testing site is operational one week a month). To make the examination procedures more convenient for applicants, testing centers have been set up at numerous locations throughout the state. Through the use of zip codes, applicants are assigned to the testing center nearest their business address.

The *Notice to Appear for Examination* mailed to the applicant will state where you will take your examination, what identification is required, and directions on how to get to the examination site.

**32. What are the major components of the examination?**

There are two parts to the examination process. All qualifying individuals must pass the standard Law and Business examination. In addition, qualifying individuals must pass a second test covering the specific trade or certification area for which they are applying.

### SPECIAL ACCOMMODATION REQUEST FOR EXAMINATION

In compliance with the Americans with Disabilities Act (ADA), Public Law 101-336, the CSLB provides “reasonable accommodations” for applicants with disabilities that may affect their ability to take required examinations. It is the applicant’s responsibility to notify the CSLB of alternative arrangements needed. The CSLB is not required by the ADA to provide special accommodations if they are unaware of specific needs. To request special accommodations, submit Form 13E-77, *Special Accommodation Request For Examination*. Forms are part of the application packet but are also available in any CSLB office.

**33. What does the Law and Business examination cover?**

The Law and Business examination consists of approximately 100 multiple choice questions related to business management and construction law. The examination is divided into ten major sections:

- Project/Job Management (approximately 20 percent of the test);
- Licensing (approximately 15 percent);
- Bookkeeping (approximately 15 percent);
- Bid Procedures (approximately 13 percent);
- Safety (approximately 12 percent);
- Contracts (approximately 10 percent);
- Liens and Dispute Resolution (approximately 5 percent);
- Employee Issues (approximately 4 percent);
- Insurance (approximately 3 percent); and
- Special Circumstances (approximately 3 percent).

**34. How can I prepare for the Law and Business examination?**

The current edition of the *California Contractors License Law and Reference Book* is the basic study reference. Copies may be purchased from the Department of General Services, Office of Procurement, Publication Section:

Counter Sales: **4675 Watt Avenue  
North Highlands, CA  
(916) 574-2200**

Monday - Friday, 8 a.m. - 5 p.m.

Mail Order - Please send check or money order (no cash) payable to *Procurement-Publications* with request to:

**General Services, Office of Procurement  
P.O. Box 1015  
North Highlands, CA 95660**

When ordering by mail, include a street address and the recipient's name. All orders are shipped by UPS and cannot be delivered to a post office box.

The *California License Law and Reference Book* is not sold at any CSLB office. Copies may be available from some specialty book stores. Please check your local telephone directory.

Other suggested study materials are listed in the reference list included in the *Study Guide for the Law and Business Examination* that is sent to applicants along with the *Notice to Appear for Examination*. These additional reference materials include employer's guides from state and federal tax agencies, and books focusing on business management and construction law. The study guide is available at all CSLB offices or by calling the CSLB's 24-hour automated public information line (800) 321-CSLB (2752).

**35. How can I prepare for my trade or certification examination?**

A study guide for each examination is available from the CSLB in Sacramento and will be sent to you with your *Notice to Appear For Examination*. The study guide lists the topic areas covered by the examination, shows how each area is weighted, and in most cases recommends reference materials to study.



**36. What are the trade examinations like?**

Most trade examinations consist of multiple-choice questions. You will be informed at the test site about the percentage of correct answers needed to pass each examination. Most examinations include questions that refer to accompanying blueprints and/or booklets containing drawings or blueprints.

**37. What should I bring to the examination site?**

You will need your *Notice to Appear for Examination* to be admitted to the examination room.

You must also show two forms of signed identification before taking your examination(s):

- Picture identification (either a current valid driver's license, Department of Motor Vehicles identification card, or military identification card; and
- A second form of identification with a signature (such as a credit card, library card, or Social Security card).

The only materials allowed at your seat during your examination are a scale ruler and a nonprinting calculator. Calculators must be battery operated or solar powered. Alpha-programmable calculators are not permitted under any conditions. Pencils and scratch paper will be provided.

You will be told to place any other items brought to the examination site, at your own risk, in a common storage area. You are advised to leave articles of value locked in your vehicle. The examination site staff do not watch the storage area.

**38. How long does the examination take?**

You will be given approximately 2-1/2 hours to complete each examination. The exact amount of time allowed for each examination will be announced at the test site.

**39. What is involved with the Computer Assisted Testing (CAT) system?**

In most cases, you will be taking your examination on a computer. The Computer Assisted Testing (CAT) system is very easy for license applicants to use. No prior experience with computers is necessary. Only the space bar and four arrow keys on the keyboard are needed. The test monitor guides all test-takers through a short exercise to help them to feel at ease with the computer.

Examinees who have used the CAT system, as well as the old paper and pencil method, report that using the computer speeds the examination process. They also claim they are less likely to make careless errors when using the computer. Finally, they prefer receiving their test results immediately after finishing their examinations on the computer, instead of waiting up to six weeks for their results as they had to in the past.

**40. What kind of feedback will I receive?**

Successful test-takers are only told that they have passed the examination. They will not be given detailed information about the score.

Applicants who are not successful are told the percentage of questions they answered correctly. In addition, they are given a statement showing how well they did in each of the major sections of the test. These sections are described in greater detail in the Study Guide for that examination, so that the test-taker will know what areas to emphasize in preparing for the next test.

***41. If I fail to appear for an examination or fail to pass the Law and Business and/or a trade examination, may I reschedule?***

Yes. If you fail to appear for an examination, you must pay a \$50 rescheduling fee. If you fail to appear a second time, your application will be considered void, and you will have to submit a new application with new fees.

If you fail the Law and Business examination and/or your trade examination, you must also pay a \$50 fee each time you are rescheduled. You are given two more opportunities to succeed. If you do not pass after three attempts, your application is considered void, and you will have to submit a new application.

To file for rescheduling, complete the application on the bottom of the notice informing you that you failed to pass the examination and submit it with the \$50 fee to the CSLB. (Please note any address change on this form.) You will be sent a notice informing you where and when to appear for your next examination.

Test results are good for five years. If you have passed the Law and Business examination or your trade examination, you would not have to take it again if you failed the other test, failed to appear for testing, or even had to submit a new application.

***42. May I review the test questions after the examinations?***

No. Test questions and answer keys are not available for review. You may file a written protest or critique of any examination question(s) after you have completed your examination and before you turn in your examination materials to the proctor.

***43. Are there any penalties for disclosing the contents of a state examination?***

Conduct which violates the security of the examination includes providing information about test questions to any person or business other than CSLB examination staff; removing examination materials from the examination site (includes writing down examination questions for future use); communicating with other examinees during an examination; copying or permitting your answers to be copied; having in your possession any written material other than test materials provided by the CSLB; or taking the examination on behalf of another applicant.

Penalties for conduct that violates the security of the examination include prosecution on misdemeanor charges resulting in a fine of \$500, payment of damages of up to \$10,000 plus the costs of litigation, and a sentence in the county jail. You would also be subject to automatic test failure; any fee(s) paid to the State of California would not be refunded; and you would not be allowed to apply for any license classification for a period of one year from your examination date.

***44. What will I receive to show that I'm licensed?***

You will receive three things: (1) a wall certificate showing the name of the person or company to which the certificate has been issued, the license number, and the date of issue; (2) a temporary paper pocket card; and (3) a permanent plastic pocket card showing the license number, business name, classification(s), certifications, if applicable, and the license expiration date. The law requires that you display your wall certificate in your main office or chief place of business. You should also make it a habit to carry your pocket card, especially in situations where you think you might be soliciting business or talking to potential customers.

***45. How long before I receive those documents?***

You should receive your wall certificate and temporary paper pocket card within a week of the time your license is issued. Your plastic pocket card should arrive in six to eight weeks.

## LICENSE ISSUANCE

**46. To whom is a license issued?**

A license may be issued to an individual, a partnership, a corporation, or a joint venture. The license belongs to the owner of an individual license, to the partnership, to the corporation as it is registered with the California Secretary of State, or to the combination of licensees who are party to the joint venture.

**47. If the ownership of a business changes, is the contractor's license considered to be part of the purchase?**

No, with the possible exception of a corporation. If the corporation's registration number assigned by the California Secretary of State remains the same, the same license can be used if the license is active and in good standing. The officers and the qualifying individual do not necessarily have to remain the same.

**48. What is the difference between an active and an inactive license?**

The holder of an active license is entitled to contract for work in the classifications which appear on the license. While the license is active, the licensee must maintain a current Contractor's Bond and a Bond of Qualifying Individual (if required), and workers' compensation coverage.

If a license is inactive, that is, currently renewed but on inactive status, the holder may not bid or contract for work. Neither the Contractor's Bond nor the Bond of Qualifying Individual is required for an inactive license. Also, a licensee does not need to have either the proof or exemption for workers' compensation insurance coverage on file with the CSLB while the license is inactive (see Question #59).

**49. To whom does the term "qualifying individual" refer?**

A qualifying individual, or simply "qualifier," is the person listed on the CSLB records who meets the experience and examination requirements for the license. A qualifying individual is required for every classification on each license issued by the CSLB.

**50. What is the qualifying individual required to do?**

The qualifying individual for a license is responsible for the employer's (or principal's) construction operations.

**51. Can the same person serve as the qualifier for more than one license?**

A person may act as a qualifying individual for more than one active license only if one of the following conditions exists:

- There is a common ownership of at least 20 percent of the equity of each firm for which the person acts as a qualifier;
- The additional firm is a subsidiary of or a joint venture with the first; or
- The majority of the partners or officers are the same.

Even if he or she meets the above conditions, A PERSON MAY SERVE AS THE QUALIFYING INDIVIDUAL FOR NO MORE THAN THREE FIRMS IN ANY ONE-YEAR PERIOD.

A Responsible Managing Employee (RME) can only act as a qualifying individual for one active license at a time.

***52. Who can be a qualifying individual?***

If you have an individual license, your qualifier may be either a Responsible Managing Employee (RME) or you.

If you have a partnership license, your qualifier may either be one of the general partners (who shall be designated as the qualifying partner) or the RME.

If you have a corporate license, your qualifier may be either one of the officers listed on the CSLB's records for your license (who shall be designated as the Responsible Managing Officer, or RMO), or an RME.

If your qualifying individual is a Responsible Managing Employee, he or she must be a bona fide employee of the firm and may not be the qualifier on any other active license. This means that the RME must be regularly employed by the firm and actively involved in the operation of the business at least 32 hours per week or 80 percent of the total business operating hours per week, whichever is less.

***53. Will a conviction for a criminal offense prevent a person from being licensed as a contractor or from serving as a qualifying individual?***

The CSLB's applications and other forms include questions regarding criminal convictions. The CSLB may deny a license if the crime is substantially related to the construction profession. Failure to disclose the requested information may, in and of itself, be grounds for denial of a license.

## FINANCIAL REQUIREMENTS

**54. Are there any financial requirements to meet in order to qualify for a contractor's license?**

Yes. All applicants for a new contractor's license, other than those applying for a joint venture license, must have more than \$2,500 worth of operating capital. Operating capital is defined as your current assets minus your current liabilities.

**55. Are there any bond requirements for a contractor's license?**

Yes. It is your responsibility to file with the Registrar a contractor's bond or cash deposit in the amount of \$7,500 (except for the C-53, Swimming Pool classification, which requires a \$10,000 bond or cash deposit). In addition, you must submit a separate Bond of Qualifying Individual or cash deposit in the amount of \$7,500 for the Responsible Managing Employee (RME) or the Responsible Managing Officer (RMO). However, the CSLB may grant an exemption from the requirement to file a Bond of Qualifying Individual if the RMO certifies that he or she owns 10 percent or more of the voting stock or equity of the corporation for which he or she is to serve as the qualifying individual.

**56. Where do I obtain bonds?**

You may purchase bonds from your insurance agent or from one of the private holding companies licensed by the State Department of Insurance. The CSLB does not issue bonds. Copies of the approved bond form and information regarding cash alternatives to bonds are available from the CSLB upon request.

**57. How long is a bond valid?**

A bond may be issued for whatever length of time you and your insurance agent or bond company representative arrange. Most bonds are issued for a period of one to three years. At the end of that time, the bond may be canceled, or the bond company may request another premium to extend the life of the bond.

**58. What is the total amount of the fees I must pay to obtain a contractor's license?**

Fees are subject to change. Current fees are printed on the application forms and notices distributed to you. You may call the CSLB to verify the fees. Currently, it costs a total of \$400 in fees to obtain a contractor's license for one classification. This amount includes both the nonrefundable application processing fee, and the two-year initial license fee.

**59. Do I need to be concerned about workers' compensation?**

All contractors are required to present proof of workers' compensation insurance coverage as a condition of licensure, to maintain a license, to activate an inactive license, or to renew a license, unless they are exempt from this requirement. Contractors who do not have employees working for them are exempt from the requirement for workers' compensation insurance, but they will be required to file a certification of this exemption with the Registrar. Neither the proof of coverage nor the exemption is required for an inactive license (see Question #48).

**60. How long is a license valid?**

A contractor's license is initially issued for a two-year period. It will expire two years from the last day of the month in which it was issued. Licenses may be renewed for two years at a time if renewed on active status, or for four years if renewed on inactive status.



## CSLB SCHEDULE OF FEES

All fees are subject to change. Fees listed here are current as of January 1999. Call the CSLB automated toll-free phone response system, 1-800-321-2752, to verify fees.

### ***Application Fees***



### ***Renewal Fees***

### ***Miscellaneous Fees***

Original Application (exam required) .....	\$250
Initial License Fee .....	\$150
Original Application (no exam required) total fee for one class ( \$250 application fee plus \$150 initial license fee ) .....	\$400
Additional Class .....	\$50
Replacing the Qualifier .....	\$50
Joint Venture Application total fee for one class ( \$250 application fee plus \$150 initial license fee ) .....	\$400
Home Improvement Salesperson Registration .....	\$50
Asbestos Certification Application .....	\$50
Hazardous Substance Removal Application .....	\$50
Timely Active Renewal (2 years) .....	\$300
Timely Inactive Renewal (4 years) .....	\$150
Delinquent Active Renewal .....	\$325
Delinquent Inactive Renewal .....	\$175
Home Improvement Timely Renewal .....	\$75
Home Improvement Delinquent Renewal .....	\$100
Re-Exam .....	\$50
Reactivation .....	\$300
Inactivation (no charge if pocket card is returned) .....	\$2
Additional Pocket/Wall Certificates each .....	\$2
Verified Certificate (certified license history for licensed or unlicensed contractors, per name researched) .....	\$14
Home Improvement Verified Certificate .....	\$4
General Status Letter .....	\$2
Bond Status Letter .....	\$5
Copies of Public Documents, per page .....	\$ .10
Certified Copies of Public Documents, per page .....	\$2 plus \$ .10

## SURVEY

The Contractors State License Board would like to know your assessment of this publication. Please take a moment to answer the following questions by circling one of the numbers for each item:

1. Did you find this publication informative?

VERY INFORMATIVE	NOT INFORMATIVE
10 9 8 7 6 5 4 3 2 1	

2. Did the text answer your questions?

ALMOST ALL	ALMOST NONE
10 9 8 7 6 5 4 3 2 1	

3. Was the writing easy to understand?

VERY EASY	VERY DIFFICULT
10 9 8 7 6 5 4 3 2 1	

4. Anything you think should be included or covered better? \_\_\_\_\_

\_\_\_\_\_

5. Other comments. \_\_\_\_\_

\_\_\_\_\_

## ORDER FORM

The following publications are available free of charge from the Contractors State License Board.

To order, fax this form to (916) 255-1395, or mail it to:

CSLB Publications, P.O. Box 26000, Sacramento, CA 95826

### QUANTITY **Booklets**

- \_\_\_\_\_ *Blueprint for Becoming a California Licensed Contractor*
- \_\_\_\_\_ *What You Should Know Before You Hire a Contractor*
- \_\_\_\_\_ *Home Improvement Contracts: Putting the Pieces Together*
- \_\_\_\_\_ *Mandatory Arbitration Program Guide (complaints under \$5,000)*
- \_\_\_\_\_ *Voluntary Arbitration Program Guide (complaints over \$5,000)*
- \_\_\_\_\_ *A Consumer Guide to Asbestos*

### **Pamphlets**

- \_\_\_\_\_ *What You Should Know Before You Hire a Contractor (English and Spanish)*
- \_\_\_\_\_ *A Consumer Guide to Filing Construction Complaints (English and Spanish)*
- \_\_\_\_\_ *Building Your Career as a Licensed Contractor*
- \_\_\_\_\_ *A Guide to Contractor License Bonds*
- \_\_\_\_\_ *Advertising Do's & Don'ts for Contractors*
- \_\_\_\_\_ *After a Disaster*

You may also check CSLB's website, [www.cslb.ca.gov](http://www.cslb.ca.gov), where a publication order form and selected publications are available on-line.

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**CSLB Publications**  
**P.O. Box 26000**  
**Sacramento, CA 95826**



## THE INTERNET

Another source of information on contracting and the CSLB is the Internet. Information is available in the following categories:

- License status information
- Licensing and exam information
- How to file a complaint
- Information for disaster victims
- Order forms and applications
- CSLB office locations
- CSLB publications and pamphlets
- New topics, new laws, pending legislation

Contractors and the public can access the CSLB website at: [www.cslb.ca.gov](http://www.cslb.ca.gov).

## AUTOMATED PHONE RESPONSE SYSTEM

The Automated Phone Response System (APRS) is an automated, toll-free number—1-800-321-CSLB (2752)—for obtaining information, forms, publications and other valuable assistance pertaining to contracting and the Contractors State License Board. The following categories identify the kinds of information and materials available through the APRS, followed by the number to dial on your touch-tone phone to gain access to or information about each category.

### LICENSE MAINTENANCE

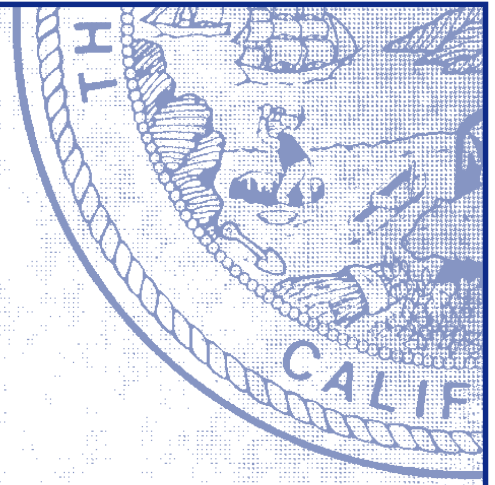
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For information about  
the Contractors State  
License Board, call toll-free  
1-800-321-CSLB (2752)  
or look us up on the Internet  
at [www.cslb.ca.gov](http://www.cslb.ca.gov)